

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 2006)

Docket No. R2006-1

VALPAK DIRECT MARKETING SYSTEMS, INC. AND
VALPAK DEALERS' ASSOCIATION, INC.
FIRST INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS THOMAS W. HARA HUSH (VP/USPS-T4-1-3)
(June 22, 2006)

Pursuant to sections 25 and 26 of the Postal Rate Commission rules of practice, Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc. hereby submit interrogatories and document production requests. If necessary, please redirect any interrogatory and/or request to a more appropriate Postal Service witness.

Respectfully submitted,

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VP/USPS-T4-1.

Please refer to your testimony at page 2, lines 15-16, where you state that the City Carrier Cost System (“CCCS”) is a sample system that collects “data to determine ... the volume of mail by shape and category of mail....”

- a. How are Detached Address Labels (“DALs”) recorded in the CCCS? That is, in what category of mail are they recorded?
- b. What information does the CCCS record for DALs in the sample? That is, does the recorder identify and count it explicitly as a DAL? Or, is it recorded simply as a letter-shaped piece of ECR mail, or as something else?
- c. Please identify all items in other, separate rate categories, that the CCCS also records in the same category as DALs.
- d. Do CCCS data make any distinction between DALs and other items that are recorded in the same category with DALs? That is, do CCCS data support an estimate of the proportion of, say, DALs delivered by city carriers, similar to the estimates of the proportion of private mailing cards and presort private cards shown in your Table 1 on page 4 of your testimony? If not, please explain in what way and to what extent CCCS data enable or support an estimate of the proportion of DALs delivered by city carriers.

VP/USPS-T4-2.

- a. With respect to the CCCS, does the Postal Service have any minimum volume threshold for identifying separately items such as private mailing cards, or

presort private cards? If so, what is the threshold volume above which the Postal Service considers explicit breakouts of different items?

- b. What factors, other than volume, determine whether the CCCS collects explicit data about an item in the mail, such as DALs? As part of your explanation, please indicate why the CCCS has collected no explicit information on the billions of DALs that city carriers deliver each year.

VP/USPS-T4-3.

- a. Does the Postal Service have any plans to alter the CCCS so as to collect more explicit data on the volume of DALs that are delivered by city carriers? If so, please describe such plans.
- b. Do CCCS data distinguish flats that are (i) taken directly to the street, or (ii) cased?
- c. Do CCCS data distinguish DALs that are (i) taken directly to the street, (ii) cased, and (iii) DPS'd?
- d. Were any changes made in the CCCS to accommodate, or distinguish, DPS'd mail? If so, please describe those changes, including the rationale for such changes.
- e. Do you anticipate making any changes in the CCCS to accommodate, or distinguish, FSS'd mail, after the Flat Sequencing System ("FSS") is deployed and becomes operational? If so, please describe those changes, including the rationale for such changes.

- f. Have any changes been made in the CCCS as a result of the old carrier costing system no longer being used? If so, please describe any such changes, and their rationale.

- g. Do you anticipate making any changes made in the CCCS as a result of the old carrier costing system that witness Bradley (USPS-T-14) proposed in Docket No. R2005-1, and again in this case? If so, please describe any such changes, and their rationale.